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## MEMORANDUM FOR THE RECORD

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FROM: [REDACTED] PRS/CSG/ODE [REDACTED]

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SUBJECT: Milestones in the Development of the Management-  
Structure of the National Reconnaissance Program

I recently had occasion to compile a list of some of the key milestones leading to the structure of the National Reconnaissance Office in its present form. Though I have been dealing with NRO personnel for more than a decade and served a three-year assignment there, I found the history informative and myself wishing that I had known before what I know now. On the chance that others might find such a compilation useful, I have put together an expanded version, along with comments on this and that. A word of caution: do not consider what follows to be either definitive or exhaustive, as I am uncertain that the documentation at my disposal is complete and many of the comments are my personal opinions.

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**SUBJECT: Milestones in the Development of the Management Structure of the National Reconnaissance Program**

November 1955

A proposal for the creation of a single, inter-agency organization charged with carrying out all peacetime overflight reconnaissance was made in 1955 by Richard Bissell. At that time, the U-2 aircraft was under development, and the proposal grew out of a need for the DCI and the DoD to work out budgeting and managing arrangements for that program, which heavily involved both CIA and the Air Force. The arrangement envisioned would draw on existing commands of the DoD and on CIA, but the aircrews would be civilians and the activity regarded as clandestine intelligence gathering. The organization, further, would exist outside the framework of any of the regular military services.

Comment: It turned out that the proposal was not pursued. Notice, however, the presence of several themes that will recur:

- A single, inter-agency organization that would operate outside the existing bureaucracy was called for;
- The proposal was sparked by budgetary and management problems between the Agency and DoD;
- The management of clandestine intelligence-gathering operations in peacetime explained CIA's involvement. A memo prepared in 1963 provides some interesting insight into this last point:

From the first thoughts of the U-2 Program, which began its fermentation in late 1954, Dr. Edwin Land, who was then Chairman of Project 3 - Technological Capabilities Panel, Office of Defense Mobilization, prepared a paper which recommended to the Director of Central Intelligence that CIA undertake an overflight activity of the Soviet Union. The Land Panel agreed that there were many reasons why the activity of overflights was

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appropriate for CIA. Because no statesman, as Land put it, could run the risk of provocation towards war and for the Air Force to engage in a program of that sort would seem rather dangerous, the Panel recommended that CIA, as a civilian organization, undertake a covert program of selected flights. Thus, from the very beginning, CIA's role in the program was to lend an unaggressive and unmilitaristic nature to overflights. . . . It is not proposed here and now that the Air Force does not possess the capability to conduct a U-2 program of its own any more than that precept was challenged in late 1954. What was true at that time remains equally valid today, namely, if the United States Government wishes to engage in overflight activities over denied hostile territory, it had best equip itself to minimize attribution to an official act of the United States Government, particularly through the mechanism of one of its armed forces

1958-60

The feasibility of using earth satellites for reconnaissance was first investigated by the Air Force in 1946. By 1956, concepts and technology had both moved to the point where a program could be contemplated, and Lockheed was awarded a contract to develop and test a system that would remain in orbit for as long as a year and return data electronically to a ground station. Further advances in technology soon allowed consideration of the return of data in re-entry vehicles. The Air Force at that point either volunteered or was instructed to concentrate on the electronic-return system, which was code-named SAMOS. Bissell's U-2 project staff was permitted to pursue the bucket-return option and develop an interim capability that would provide broad area collection until SAMOS became fully operational. The Agency's system was called CORONA, and covert cover for it was provided by the Advanced Research Projects Agency, which went public with an announcement that it planned to orbit a series of vehicles designed to test systems and techniques to be employed in the operation of spacecraft. The overt name given to the test series was DISCOVERER.

The U-2 program was, in this period, operational and highly successful. In 1958, also, Bissell's group was authorized to begin development of a follow-on aircraft capable of speeds exceeding Mach 3 and carrying a photographic system of advanced design. The code-name for this program was OXCART, and the

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first OXCART flight took place in 1962. The Air Force later procured a modified version of the aircraft and named it SR-71.

After 13 non-productive firings, a CORONA mission was successfully completed on 19 August 1960.

Comment: Using Air Force technology, Air Force contractors, and, even, Air Force personnel CIA had, at this stage, developed the highest flying aircraft the world had yet seen, was well on the way to developing the world's fastest operational aircraft, and had made the first recovery of an object from space. The Air Force, meanwhile, was learning that the technology needed to provide electronic return of intelligence-quality imagery from space was not yet available.

#### August 1960

At a special meeting of the National Security Council on 25 August, the President directed that the Air Force give high priority to the development of a film-return system providing high resolution stereo photography, that electronic-readout techniques be given lower priority, and that "the extensive program for ground-based electronic read-out system be cut back very substantially and promptly." The effort was "to be managed with the directness that Air Force has used on occasion, with great success, for projects of overriding priority. This can best be accomplished by a direct line of command from the Secretary of the Air Force to the general officer in operational charge of the whole program. . ."

Comment: Note the instruction that the program operate outside the normal chain-of-command and that the program manager report to the civilian leadership of the Air Force rather than the military. This, in effect, constitutes the establishment of what soon after became known as Program A of the NRP. The satellite called for in the directive is the KH-7 GAMBIT, which was first flown in 1963.

#### September 1960

The SecDef instructed the Secretary of the Air Force to assume direct responsibility for its portion of the reconnaissance satellite program and to report directly to the Deputy SecDef for review and approval. The program management was structured so the manager reported directly to the Secretary of the Air Force.

Comment: The direct involvement of the Deputy SecDef is established here. Bissell's organization was within what is now CIA/DO and had a loose arrangement with the DoD, first with ARPA and later with the Air Force, as regards launching and operating

the CORONA satellites and recovering their film packages. This arrangement seems to have worked reasonably smoothly, undoubtedly in large measure through the efforts and skills of the considerable numbers of military personnel assigned to Bissell's organization. Bissell reported to the DCI and DDCI, however, rather than to officials of the Defense Department.

September 1961

The Deputy SecDef and the DDCI signed a memorandum of agreement that established the National Reconnaissance Program and set up the National Reconnaissance Office. The elements of this agreement included the following:

- The NRP "will consist of all satellite and overflight [i.e. aircraft] reconnaissance projects whether overt or covert."
- The NRO, which was to manage the program, would be under the direction of the Undersecretary of the Air Force and the DDP [now DDO] of the Agency, "acting jointly." It was to include a small staff drawn from CIA and the DoD. The NRO "will have direct control over all elements of the total program."
- The Under Secretary of the Air Force was designated Special Assistant for Reconnaissance to the Secretary of Defense and "delegated full authority" in this area by the Deputy SecDef.
- Within the DoD, the Department of the Air Force was to be "the operational agency for management and conduct of the NRP, and will conduct this program through use of streamlined special management procedures involving direct control from the office of the Secretary of the Air Force to Reconnaissance System Project Directors in the field, without intervening reviews or approvals."
- The NRO "will be directly responsive to, and only to, the photographic and electronic signal collection requirements and priorities as established by the United States Intelligence Board."
- "The Directors of the National Reconnaissance Office will establish detailed working procedures to insure that the particular talents, experience

and capabilities within the Department of Defense and the Central Intelligence Agency are fully and most effectively utilized in this program."

Comment: I am unfamiliar with the circumstances that led to the timing and provisions of this agreement. It contained other provisions, but the ones above are those I believe have been of greatest importance relative to the development of the NRO into its present form.

- The U-2 and OXCART programs were part of the original NRP and, as such, were managed by an Agency component that became known as Program D. In mid-1968 OXCART was terminated and its aircraft mothballed. The Agency's U-2 program remained operational until 1974, when the NRO transferred its airborne assets to SAC, which already had its own U-2 contingent. The SR-71 program was never part of the NRP.
- The provision calling for co-directorship of the NRO by CIA and the Air Force turned out to have a very short half-life, but the concept of joint manning has survived, albeit after a shaky start.
- Notice that the Under Secretary of the Air Force emerges as a key player for the first time, establishing a tradition that with few exceptions has been followed since.
- The use of "streamlined special management procedures" also has survived. The NRO is able to move funds around with a speed and simplicity unmatched either in the Agency or in most other parts of the DoD, and much of its funding is not subject to auditing by the General Accounting Office. Again, observe that the Project Directors in the DoD [in today's lingo, the managers of Programs A and C] not only operate outside their parent services but also, along with the Director of Program B, report directly to the DNRO and not through the NRO Staff. The Staff, in other words, has no authority over them.

--The directive that the NRP "will be directly responsive to, and only to", requirements and priorities established by the United States Intelligence Board is another feature of great importance that has survived. A rough translation, today, of "United States Intelligence Board" is National-level requirements. The objective of the provision was not to prevent the collection of what is now known as departmental or tactical intelligence, for National organizations were not proscribed from authorizing such collection and, in fact, have regularly done so. We can be confident that the objective, rather, was to prevent any operating element of the NRP from using NRP funds to build a system of value only to itself or from operating an NRP system for its own benefit rather than for the net benefit of the Government. In practice, the provision imposes another significant requirement on the NRO and its operating arms: to respond to Community requests for proof that the NRP systems are indeed being developed and operated in ways that maximize satisfaction of the requirements levied on them.

January 1962

The Secretary of the Air Force established the Office of Space Systems to serve as the public cover for the NRO Staff.

May 1964

A special panel of the PFIAB conducted an extensive investigation and review of the operations and management of the NRO and the NRP. The panel found that the NRP "has not yet reached its full potential. Basically, the problem is one of inadequacies in the present organizational structure and support of the national reconnaissance effort. Also, the Program is complicated by the absence of a clear, authoritative delineation and understanding of pertinent roles and missions of the Department of Defense, the Central Intelligence Agency, and the Director of Central Intelligence in his capacity as principal intelligence officer and coordinator of the total U.S. intelligence effort."

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The panel recommended that the President issue a directive providing guidelines for the centralized direction, management and conduct of the NRP and listed some provisions such a directive should contain.

Comment: The problems encountered in managing the NRO and NRP in this period were many and severe. At least three versions of an implementation agreement between the DCI and SecDef were produced, but none turned out to provide a workable arrangement. The Agency's complaints centered on the following issues:

- Senior management: Early on, the concept of dual management was, with DCI concurrence, abandoned in favor of a single DNRO responsible to both the SecDef and the DCI. After the DCI found this to be unsatisfactory, the Agency fought to have a deputy of its choosing incorporated into the management chain. This was resisted as constituting unnecessary and unwarranted interference with the responsibilities and prerogatives of the DNRO. A DDNRO was introduced into the mechanism nevertheless, but CIA claimed he was kept ill-informed and was not given the opportunity to participate in decision-making.
- Budget: CIA asserted that the funds Congress allocated for the Agency's share of the NRP should be sent directly to it and that it should have complete authority over their use. The DNRO held that such a position was contrary to the agreement making him responsible for managing and executing the NRP.
- Personnel: The Agency claimed that the key jobs on the NRO Staff were reserved for Air Force personnel, that Agency talent was neither sought nor welcomed, and that it was not fairly used when it showed up anyhow.
- Control of operations: The Agency agreed to joint management of satellite operations in a center under control of the DNRO. (Prior to this time, the tasking of CORONA had been handled by a program office contingent working out of Langley.) CIA claimed that the personnel it assigned to the Satellite Operations Center



were given subordinate roles, a condition made especially galling by the fact that, at the time, the Agency was the only organization with an operational satellite system.

- Program development: The Agency believed that Air Force personnel dominated and controlled the NRO Staff and that the Staff gave Program A preferential treatment with respect to developing and operating new systems.

August 1965

The Presidential directive mentioned in the PFIAB report was never issued, but the combination of the report and the continuing clashes between CIA and the DNRO and his staff spurred the DCI and SecDef to find a mutually satisfactory solution. The results was the agreement of 1965, elements of which are still operative.

Under this agreement, the SecDef was given responsibility for

- Establishing the NRO as a separate agency of the DoD;
- Choosing the DNRO, "who will report to him and be responsive to his instructions";
- Concurring in the choice of the DDNRO, "who will report to the DNRO and be responsive to his instructions";
- Review and have the final power to approve the NRP budget.

The DCI was made responsible for

- Establishing collection requirements and priorities;
- Reviewing the results of collection and recommending steps to improve them;
- Reviewing and approving the NRP budget each year;
- Appointing the DDNRO with the concurrence of the Deputy SecDef. The DDNRO was to serve full time in a line position directly under the DNRO

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and "shall act for and exercise the powers" of the DNRO during his absence.

The agreement also called for the establishment of an NRP Executive Committee. The members of the Ex Com were the Deputy SecDef, the DCI, and the Special Assistant to the President for Science and Technology. The DNRO was to sit with the Ex Com as a non-voting member. The functions of the Ex Com included:

- Recommending to the SecDef "an appropriate level of effort for the NRP in response to reconnaissance requirements provided by the USIB and in the light of technical capabilities and fiscal limitations";
- Approving or modifying the NRP and its budget;
- Approving and allocating responsibilities and funds for research and for the development, testing, and production of new systems.
- Approving the allocation of development responsibilities and the funds for specific programs with a view toward ensuring that the development, testing, and production of new systems was accomplished "with maximum efficiency by the component of the Government best equipped with facilities, experience and technical competence to undertake the assignment".

The agreement made no mention of who might serve as chairman of the Ex Com but the Deputy SecDef took the position at the first meeting, and for the next several years the chairmanship was held by him.

The agreement also stated that, "The NRO shall be jointly staffed in such a fashion as to reflect the best talent appropriately available from the CIA, the three military departments and other Government agencies. The NRO staff will report to the DNRO and DDNRO and will maintain no allegiance to the originating agency or Department."

Comment: This agreement is widely recognized and appreciated as a watershed document in the overhead reconnaissance program. It was designed to correct problems, and the creation of the Ex Com turned out to be a master stroke in that respect. The Ex Com constituted a kind of board of directors

with the chairman, the Deputy SecDef, not only able to speak for the needs of the DoD but also possessing the financial and manpower resources needed to support whatever decisions were made. The DCI served as the spokesman of the National community, and the third member brought the power and prestige of the White House into the process. Of great practical importance, in my opinion, was the fact that the existence of the committee forced these people to regularly tend to the program. Whereas before they seemed only to be brought together to put out fires, they now gathered to prevent their occurrence.

While the Ex Com was the dominant feature of the 1965 agreement, it contains other points worth noting:

- The responsibilities of the DNRO and his relationship to the DCI were better spelled out. Notice that the DNRO reports to the SecDef. That is why, on key programmatic issues, the DNRO seeks approval from both the SecDef and the DCI.
- The agreement makes the DDNRO a key player in the management of the NRP.
- Making clear who the NRO Staffers are responsible to is important, obviously, and we must remember that the rule applies to people from CIA, too. Over the years I have heard numerous allegations about Staffers unreasonably favoring their parent organizations, but I can't cite a single case where I was given evidence I found conclusive. On the other hand, I remember lots of instances where NRO people acted contrary to the wishes of their parent groups. I found my own experience on the Staff similar to my experience as a referee--everybody seemed to think I was an incompetent crook no matter what I did, so it really wasn't hard to do what I thought was right and not worry about the consequences. I was also struck by another parallel with refereeing--while at the NRO, I felt better if I maintained a friendly, but correct and somewhat distant, relationship with the personnel of the program offices.

As far as I am concerned, the same comments apply to persons assigned to the Intelligence Community Staff.

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Another factor that I think contributed significantly to the improvement in relations is not reflected in the 1965 agreement. Included among the PFIAB recommendations of the previous year was the "Assignment to the Director of Central Intelligence, as Chairman of the United States Intelligence Board, of the functions of sharpening and expediting the efforts of the United States Intelligence Board with respect to: (a) the establishment of realistic intelligence collection requirements to guide the national reconnaissance effort in the scheduling and targeting of satellite and aircraft reconnaissance missions. . ." Whether because of this or independent of it, within a few months USIB transmitted to the NRO, for the first time, requirements of the depth and scope needed to design and operate photographic satellite systems. The few requirements submitted prior to then had been vague generalities, and much of the clashing between CIA and the Air Force had been over what the imaging systems of the future should be designed to do.

1973

The DCI was instructed by the President to assume chairmanship of the NRP Ex Com. At this point, the Deputy SecDef designated the Assistant Secretary of Defense (Intelligence) to be the DoD representative. The President, further, abolished the position of President's Assistant for Science and Technology, reducing the Ex Com membership to two.

Comment: These actions had important impact on the Ex Com decision process. The new DoD representative could not match the authority vested in the Deputy SecDef, nor did he control the funds needed to implement Ex Com decisions. A senior representative of the Office of Management and Budget had normally supported the White House member, permitting OMB's concerns to be expressed and taken into account in the decision process. The abolition of the science adviser's officer (for reasons unrelated to the NRP) put the remaining Ex Com members in the positions of having to sell their decisions to both the White House staff and OMB.

February 1976

The Ex Com was abolished and, under Executive Order 11905, oversight of the NRP was assigned to the Committee on Foreign Intelligence. The membership of the committee consisted of the DCI, who served as chairman, the Deputy Secretary of Defense, for Intelligence, and the Deputy Assistant to the President for National Security Affairs. The functions of the CFI included

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controlling the budget preparation and resource allocation for the National Foreign Intelligence Program, in which the NRP is included. EO 11905, in addition, directed the CFI to report directly to the National Security Council, which might review its decisions upon appeal by the DCI or any member of the NSC.

Comment: In theory, the CFI was a super Ex Com; in practice, its operation was something else. One reason for this is rather easy to figure. At any given moment, the NRP consists of a couple of handfuls of programs, each one of which takes years to implement and then will be in operation for at least five years with little or no modification. At a typical NRP Ex Com meeting, the members were confronted with only one or two major programmatic decisions, so each could be given considerable attention. Sitting as the CFI, the members had to resolve hundreds of issues, making it virtually impossible for them to really study any of them and forcing them to rely on the recommendations of staffs. Consequently, in the words of one observer, the NRP decision process was pushed "down to the same level as the remainder of the Intelligence Community budget process."

February 1977

The CFI was abolished and the Policy Review Committee (Intelligence) established to control and manage the NFIP. Membership of the PRC (I) included the DCI, who served as chairman, the Deputy SecDef, the Deputy Assistant to the President for National Security Affairs, and the Under Secretary of State for Political Affairs.

Comment: This group had all the problems of the CFI plus the fact that the members, being more senior, could devote less time and were less familiar with intelligence activities than their predecessors. Consequently, the roles of staffs, and the in-fighting and biases attached thereto, increased.

January 1978

Executive Order 12036 stated that the DCI, "to the extent consistent with applicable law, have full and exclusive authority for approval of the National Foreign Intelligence Program budget submitted to the President." He also was given the authority to provide guidance for program and budget development to program managers and heads of component activities and to department and agency heads. The heads of

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departments and agencies, on the other hand, "shall ensure timely development and submission to the Director of Central Intelligence of proposed national programs and budgets in the format designated by the Director of Central Intelligence. . . ." The DCI was empowered to review these submissions and "with the advice of the NFIB and the departments and agencies concerned" develop the National Foreign Intelligence Program and present it to the President through OMB. Departments and agencies were authorized to appeal to the President any decisions of the DCI on budget and re-programming matters of the NFIP.

Under this order the SecDef was given the following responsibilities, among others:

- Collect national foreign intelligence and be responsive to collection tasking;
- Conduct programs and missions necessary to fulfill national and tactical foreign intelligence requirements;
- Review budget data and information on DoD programs within the NFIP and review budgets submitted to the DCI "to ensure the appropriate relationship" of the NFIP elements to other elements of the Defense program;
- Together with the DCI, ensure that there is no unnecessary overlap between national and DoD intelligence programs.

Comment: The order marks the abandonment of formal collective decision-making in the development of the NRP budget. Note that the role of NFIB is advisory only. Observe not just the obvious concern over satisfying the needs of tactical forces but also the care taken to prevent inefficient duplication of collection programs.

December 1981

Executive Order 12333 promulgated. This order contains no major changes as regards managing the budget and operations of the NRP.